

# EXHIBIT A

## LONG-TERM HOG PROCUREMENT AGREEMENT #4

### CONTRACT PRICE DETERMINATION FOR PLANT DELIVERED HOGS:

Determine 20 week moving average of Omaha corn and Decatur/Central Ill. 44% Soybean Meal. These averages are based on the 20 weeks prior to the previous week. Round corn to the closest \$0.10 per bushel and meal to the closest \$10.00 per ton.

For this example assume corn is \$2.00 and meal is \$130

From the LTHPA #4 PRICE MATRIX obtain the values for \$2.00 corn and \$130 meal.

\$38.90 Floor Price Matrix Value / Live Cwt. (Subject to section 2-c)  
 \$50.58 Matrix Price / Carcass Cwt. (For period ending November 4, 2001; See section 2-d)  
 \$45.38 Guaranteed Minimum / Carcass Cwt. (For period ending November 4, 2001; See section 2-f)

#### Example A:

Example A is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is greater than the Matrix Price.

Assume the Market Base Price is \$60.00 per carcass cwt.

Whenever the Market Base Price is greater than the Matrix Price, the Contract Price is equal to the midpoint between the Matrix Price and the Market Base Price.

Matrix Price	\$50.58
Market Base Price	\$60.00
Midpoint	\$55.29
<u>Contract Price</u>	<u>\$55.29</u>

#### Example B:

Example B is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is between the Matrix Price and the Guaranteed Minimum Price.

Assume the Market Base Price is \$48.00 per carcass cwt.

Whenever the Market Base Price is less than the Matrix Price, but above the Guaranteed Minimum Price the Contract Price is equal to the midpoint between the Matrix Price and the Market Base Price.

Guaranteed Minimum	\$45.38
Market Base Price	\$48.00
Matrix Price	\$50.58
Midpoint	\$49.29
<u>Contract Price</u>	<u>\$49.29</u>

#### Example C:

Example C is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is slightly below the Guaranteed Minimum Price.

Assume the Market Base Price is \$44.00 per carcass cwt.

Whenever the midpoint between the Matrix Price and the Market Base Price is greater than the